

CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER July 22, 2024

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IN THE UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

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FEDERAL TRADE COMMISSION, :

Plaintiff, :

v. : Case No.

TAPESTRY, INC., and : 1:24-cv-03109-JLR

CAPRI HOLDINGS LIMITED, :

Defendants. :

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Monday, July 22, 2024

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Confidential

Subject to Protective Order

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Remote Videotaped Deposition of SLOAN TICHNER,
called for oral examination by counsel for the
Plaintiffs, pursuant to notice, before Christina S.
Hotsko, RPR, CRR, CA CSR, of Veritext Legal
Solutions, a Notary Public in and for the District
of Columbia, beginning at 9:30 a.m., when were
present on behalf of the respective parties:
Job No. CS6786201

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<p style="text-align: right;">Page 22</p> <p>1 A. Yes. Wholesale accounts.</p> <p>2 VIDEO TECHNICIAN: Apologies, Counsel.</p> <p>3 I'm getting some interference. It sounds like</p> <p>4 it's coming from a cell phone. Hard to say where</p> <p>5 it's coming from.</p> <p>6 MR. COLWELL: If we can go off the record</p> <p>7 for a moment.</p> <p>8 VIDEO TECHNICIAN: Going off the record.</p> <p>9 The time is 9:58 a.m.</p> <p>10 (Discussion off the record.)</p> <p>11 VIDEO TECHNICIAN: Going back on the</p> <p>12 record. The time is 10:00 a.m.</p> <p>13 THE WITNESS: May I amend an answer to</p> <p>14 your previously asked question in regard to the</p> <p>15 parent company of the Anne Klein brand?</p> <p>16 BY MR. COLWELL:</p> <p>17 Q. Yes, Ms. Tichner.</p> <p>18 A. That's -- WHP-Global is the parent</p> <p>19 company.</p> <p>20 Q. So Steve Madden has a license agreement</p> <p>21 for the Anne Klein brand with that company?</p> <p>22 A. Correct.</p>	<p style="text-align: right;">Page 24</p> <p>1 the question, please?</p> <p>2 Q. Sure. Do Steve Madden handbags have</p> <p>3 resale value?</p> <p>4 A. I don't know. There are certain handbags</p> <p>5 that may be sold on resale to -- in second-party</p> <p>6 sources, or handbags that have been gently used</p> <p>7 can sometimes be found on secondary sites. But</p> <p>8 that's the extent of my knowledge.</p> <p>9 Q. Does Steve Madden, itself, sell resale</p> <p>10 handbags?</p> <p>11 A. We do not.</p> <p>12 Q. Why not?</p> <p>13 MR. BUTERMAN: Objection. Form.</p> <p>14 THE WITNESS: We sell new product through</p> <p>15 our own retail distribution sites and new product</p> <p>16 to our wholesale partners.</p> <p>17 BY MR. COLWELL:</p> <p>18 Q. You mentioned that you have</p> <p>19 responsibilities related to pricing for Steve</p> <p>20 Madden's handbags; is that right?</p> <p>21 A. Correct.</p> <p>22 Q. What is the price range for Steve Madden</p>
<p style="text-align: right;">Page 23</p> <p>1 [REDACTED]</p> <p>2 [REDACTED]</p> <p>3 [REDACTED]</p> <p>4 [REDACTED]</p> <p>5 [REDACTED]</p> <p>6 [REDACTED]</p> <p>7 [REDACTED]</p> <p>8 [REDACTED]</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 [REDACTED]</p> <p>15 [REDACTED]</p> <p>16 Q. Thank you, Ms. Tichner.</p> <p>17 And retail includes what?</p> <p>18 A. Steve Madden retail stores, as well as</p> <p>19 our dot-com direct-to-consumer business.</p> <p>20 Q. Is there a resale market for Steve Madden</p> <p>21 handbags?</p> <p>22 A. Can you rephrase that question or clarify</p>	<p style="text-align: right;">Page 25</p> <p>1 handbags sold in the United States?</p> <p>2 MR. BUTERMAN: Object to form.</p> <p>3 THE WITNESS: The bulk of the handbags</p> <p>4 suggested retails are a hundred -- about a hundred</p> <p>5 dollars and under.</p> <p>6 BY MR. COLWELL:</p> <p>7 Q. When you say bulk, what do you mean by</p> <p>8 that?</p> <p>9 A. There are styles that might be outliers</p> <p>10 that would have a suggested retail that is higher</p> <p>11 than a hundred dollars.</p> <p>12 Q. How do you determine the prices for Steve</p> <p>13 Madden's handbags?</p> <p>14 MR. BUTERMAN: Object to form.</p> <p>15 THE WITNESS: Well, the consumer sets a</p> <p>16 lot of this groundwork for us, depending on the --</p> <p>17 you know in our tier of distribution. I just work</p> <p>18 within the frame of the divisions to place the</p> <p>19 bags, make sure that we're priced competitively.</p> <p>20 BY MR. COLWELL:</p> <p>21 Q. And what do you mean by priced</p> <p>22 competitively?</p>

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<p style="text-align: right;">Page 26</p> <p>1 A. If you would -- if we talk about the</p> <p>2 other brands that sit in our area of distribution,</p> <p>3 we would be priced equivalent or have like or same</p> <p>4 suggested retails for similar brands.</p> <p>5 Q. What is that distribution tier that you</p> <p>6 just mentioned?</p> <p>7 A. Can you rephrase the question?</p> <p>8 Q. Sure. If I heard you correctly,</p> <p>9 Ms. Tichner, you described a tier of distribution</p> <p>10 for Steve Madden handbags.</p> <p>11 I'd like to understand what that is.</p> <p>12 MR. BUTERMAN: Objection.</p> <p>13 THE WITNESS: The segment of business has</p> <p>14 several names. It can be referred to as opening</p> <p>15 price point, moderate, trend, fashion.</p> <p>16 BY MR. COLWELL:</p> <p>17 Q. And Steve Madden's handbags are within</p> <p>18 that opening price point tier that you just</p> <p>19 described?</p> <p>20 MR. BUTERMAN: Objection.</p> <p>21 THE WITNESS: They're in that segment.</p> <p>22</p>	<p style="text-align: right;">Page 28</p> <p>1 handbags are about a hundred -- as I said, a</p> <p>2 hundred dollars and under. There's ranges above</p> <p>3 and ranges below as well.</p> <p>4 Q. What are the ranges above?</p> <p>5 A. Over 150 and up to -- to \$1500 and up.</p> <p>6 Q. What is the \$1500 and up segment?</p> <p>7 A. Luxury designer.</p> <p>8 MR. GRUNDVIG: Objection to form.</p> <p>9 BY MR. COLWELL:</p> <p>10 Q. What brands are in the luxury designer</p> <p>11 segment?</p> <p>12 A. Gucci, LV, Prada.</p> <p>13 Q. You mentioned another segment, and I</p> <p>14 believe you said over \$150; is that right?</p> <p>15 A. I was just referring to price points that</p> <p>16 would cover bags that were above sort of the</p> <p>17 highest price point at Steve Madden.</p> <p>18 Q. Thank you, Ms. Tichner.</p> <p>19 Are you familiar with any segments</p> <p>20 between opening price point and designer luxury?</p> <p>21 A. Yes. There are many: designer, emerging</p> <p>22 designer, contemporary, advanced contemporary.</p>
<p style="text-align: right;">Page 27</p> <p>1 BY MR. COLWELL:</p> <p>2 Q. Are you familiar with any other tiers for</p> <p>3 handbags sold in the United States?</p> <p>4 MR. BUTERMAN: Objection.</p> <p>5 MR. GRUNDVIG: Objection to form.</p> <p>6 MR. BUTERMAN: Counsel, please stop</p> <p>7 trying to put the word "tiers" into the witness'</p> <p>8 mouth. She hasn't used it once yet.</p> <p>9 MR. COLWELL: Counsel, I believe the</p> <p>10 witness has used the word "tier."</p> <p>11 BY MR. COLWELL:</p> <p>12 Q. Did I mishear you, Ms. Tichner?</p> <p>13 A. I don't remember if I used the</p> <p>14 word "tier" or "segment." I -- I don't remember.</p> <p>15 Q. Thank you, Ms. Tichner.</p> <p>16 Based on your knowledge and experience in</p> <p>17 the industry, Ms. Tichner, are you familiar with</p> <p>18 any other segments aside from the one you just</p> <p>19 described?</p> <p>20 A. Yes.</p> <p>21 Q. What are those other segments?</p> <p>22 A. There are a lot. There are -- my</p>	<p style="text-align: right;">Page 29</p> <p>1 Q. Are you familiar with the brand Coach?</p> <p>2 A. Yes.</p> <p>3 Q. In -- in what segment do you consider</p> <p>4 Coach handbags to be?</p> <p>5 MR. BUTERMAN: Objection.</p> <p>6 THE WITNESS: Designer.</p> <p>7 BY MR. COLWELL:</p> <p>8 Q. Are you familiar with Kate Spade, the</p> <p>9 brand?</p> <p>10 A. Yes.</p> <p>11 Q. What segment --</p> <p>12 A. Designer.</p> <p>13 Q. -- are Kate Spade handbags in?</p> <p>14 A. Designer.</p> <p>15 Q. And what segment is Michael Kors?</p> <p>16 MR. BUTERMAN: Objection.</p> <p>17 THE WITNESS: Designer.</p> <p>18 BY MR. COLWELL:</p> <p>19 Q. Are you familiar with any subcategories</p> <p>20 or segments to the designer category or segment</p> <p>21 that you described?</p> <p>22 MR. BUTERMAN: Object to form.</p>

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<p style="text-align: right;">Page 30</p> <p>1 THE WITNESS: It could be emerging 2 designer, select designer, designer boutique. 3 Each retailer classifies brands distinctively to 4 that retailer. 5 BY MR. COLWELL: 6 Q. Based on your knowledge and experience in 7 the handbag industry, are you familiar with the 8 phrase "accessible luxury"? 9 MR. BUTERMAN: Objection. 10 THE WITNESS: Yes. 11 BY MR. COLWELL: 12 Q. What do you understand that phrase to 13 mean? 14 A. Those would represent brands that the 15 customer would view as designer that are at 16 affordable -- what they view -- what are 17 affordable price points for that segment of 18 customer. 19 Q. What handbag brands are in that segment? 20 A. There's a lot. 21 MR. BUTERMAN: Objection. 22 THE WITNESS: Michael Kors, Kate Spade,</p>	<p style="text-align: right;">Page 32</p> <p>1 A. I would classify Louis Vuitton as a true 2 luxury designer. 3 Q. And what makes a true luxury designer 4 different from the other segment? 5 MR. GRUNDVIG: Objection. Form. 6 THE WITNESS: Price points -- opening 7 price points starting in true luxury are higher. 8 BY MR. COLWELL: 9 Q. How much higher? 10 MR. BUTERMAN: Objection. 11 THE WITNESS: I can only give you the 12 range of where I believe the bulk of true luxury 13 handbags begins at, and I believe it is at about 14 \$1500 and up. 15 BY MR. COLWELL: 16 Q. Are there any other brands that you would 17 categorize as true luxury designers? 18 A. I can repeat. I don't know if I said 19 them when you asked me before, but Louis Vuitton, 20 Gucci, Prada, Celine. 21 [REDACTED] 22 [REDACTED]</p>
<p style="text-align: right;">Page 31</p> <p>1 Coach, Marc Jacobs, Tory Burch. There are other 2 ones as well. 3 BY MR. COLWELL: 4 Q. What are the differences between that 5 segment and the opening price point segment that 6 you described? 7 A. Two primary differences. One would be 8 opening price point segment, most of the handbags 9 are constructed of non-leather material; and two, 10 price point. 11 Q. So do one of those segments use certain 12 kinds of materials? 13 A. The handbags in the opening price point 14 segment are non- -- for all practical purposes, 15 non-leather materials. 16 Q. Based on your knowledge and experience, 17 is Louis Vuitton in that accessible luxury 18 segment? 19 MR. BUTERMAN: Objection. 20 THE WITNESS: No. 21 BY MR. COLWELL: 22 Q. Why not?</p>	<p style="text-align: right;">Page 33</p> <p>[REDACTED] [REDACTED] [REDACTED] 4 Q. What are stores' private brands? 5 A. Individual retailers have brands that are 6 their own, intrinsic to that specific retailer. 7 Q. Does Steve Madden produce any private 8 label products? 9 A. Yes. 10 Q. Does Steve Madden produce private label 11 handbags? 12 A. Yes. 13 Q. Are Steve Madden's private label handbags 14 different from other handbags that it sells? 15 A. I don't manage that segment of our 16 business, so I could not answer the question 17 completely accurately for you. 18 Q. That's fine. Thank you, Ms. Tichner. 19 Do you have responsibilities, 20 Ms. Tichner, related to sourcing materials for 21 Steve Madden's handbags? 22 A. The sourcing and the production are</p>

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<p style="text-align: right;">Page 34</p> <p>1 handled by my counterpart.</p> <p>2 Q. Who is your counterpart?</p> <p>3 A. Jeff Goldstein.</p> <p>4 Q. Are you familiar with where Steve Madden</p> <p>5 produces handbags?</p> <p>6 A. Yes.</p> <p>7 Q. Where is that?</p> <p>8 A. About 95 percent is produced in Asia.</p> <p>9 [REDACTED]</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 Q. Does Steve Madden manufacture handbags</p> <p>14 itself in those locations?</p> <p>15 A. Can you please repeat the question --</p> <p>16 rephrase the question?</p> <p>17 Q. Sure.</p> <p>18 Does Steve Madden actually manufacture</p> <p>19 the handbags it sells itself?</p> <p>20 A. We are not -- we work with valued</p> <p>21 partners as factories. We do not own the</p> <p>22 factories.</p>	<p style="text-align: right;">Page 36</p> <p>1 the record. The time is 10:24 a.m.</p> <p>2 (A recess was taken.)</p> <p>3 VIDEO TECHNICIAN: Going back on the</p> <p>4 record. The time is 10:36 a.m.</p> <p>5 BY MR. COLWELL:</p> <p>6 Q. Ms. Tichner, you mentioned that Steve</p> <p>7 Madden has its handbags manufactured predominantly</p> <p>8 in Asia.</p> <p>9 A. Correct.</p> <p>10 [REDACTED]</p> <p>11 [REDACTED]</p> <p>12 [REDACTED]</p> <p>13 [REDACTED]</p> <p>14 Q. Thank you, Ms. Tichner.</p> <p>15 Similarly, for sourcing you mentioned</p> <p>16 that Steve Madden sources materials from Asia for</p> <p>17 handbags.</p> <p>18 What countries specifically, if you know?</p> <p>19 A. China.</p> <p>20 Q. What materials, specifically, does Steve</p> <p>21 Madden source from China for its handbags?</p> <p>22 A. The base material for bulk of the</p>
<p style="text-align: right;">Page 35</p> <p>1 Q. What is a factor?</p> <p>2 A. Factory.</p> <p>3 Q. Pardon me.</p> <p>4 So external vendors manufacture the</p> <p>5 products?</p> <p>6 A. Yes.</p> <p>7 Q. And those vendors are located in the --</p> <p>8 A. They're lo- --</p> <p>9 Q. -- places you mentioned?</p> <p>10 A. Correct.</p> <p>11 Q. Are you familiar with where Steve Madden</p> <p>12 sources materials for its handbags?</p> <p>13 A. Yes.</p> <p>14 Q. Where is that?</p> <p>15 A. Sourcing is primarily in Asia as well.</p> <p>16 MR. COLWELL: Now would be a good time to</p> <p>17 take a break. Would you like to take a break,</p> <p>18 Ms. Tichner?</p> <p>19 THE WITNESS: Yes. Thank you.</p> <p>20 MR. COLWELL: Okay. We can go off the</p> <p>21 record.</p> <p>22 VIDEO TECHNICIAN: Thank you. Going off</p>	<p style="text-align: right;">Page 37</p> <p>1 handbags is PU, non-leather-like material.</p> <p>2 Q. Is PU polyurethane?</p> <p>3 A. Yes.</p> <p>4 Q. Why does Steve Madden use PU for its</p> <p>5 handbags?</p> <p>6 A. PU materials have a very leather-like</p> <p>7 look to them.</p> <p>8 Q. How does the cost of PU materials compare</p> <p>9 to the cost of leather?</p> <p>10 MR. GRUNDVIG: Objection. Form.</p> <p>11 THE WITNESS: PU costs less than leather.</p> <p>12 BY MR. COLWELL:</p> <p>13 Q. Does Steve Madden consider the cost of</p> <p>14 the material in selecting it?</p> <p>15 MR. BUTERMAN: Object to form.</p> <p>16 THE WITNESS: Yes.</p> <p>17 BY MR. COLWELL:</p> <p>18 Q. I'd like to move to talk about the design</p> <p>19 of Steve Madden handbags, Ms. Tichner.</p> <p>20 Do you have responsibilities related to</p> <p>21 the design of Steve Madden handbags?</p> <p>22 A. Yes.</p>

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